Polimex Mostostal S.A. with a positive result for H1 2023.

09/01/2023



The Polimex Mostostal Group recorded PLN 64 million in operating profit (EBIT) in H1 2023, compared to PLN 109 million in H1 2022. Despite the still unstable situation on European markets, the war in Ukraine and the resulting problems in the global economy, and in particular the exceptionally difficult situation with the valorization of contracts, the consolidated operating revenues generated by the Polimex Mostostal Capital Group in the first six months of 2023 amount to PLN 1,654 million PLN and are a satisfactory result.

The Group's EBITDA for the first half of 2023 amounted to PLN 86 million (representing an EBITDA margin of 5.2%), down by PLN 43 million compared to the same period in 2022. The decrease is mainly due to the exceptionally good profitability of the manufacturing sector in the first half of 2022 and the impact of the war in Ukraine on the profitability of ongoing contracts.

The Group's total net result for the six months of 2023 is lower than that for the first half of 2022, amounting to PLN 34 million, representing a margin of 2.1%.

Selected financial data for H1 2023 in PLN million

in PLN mln	H1
OPERATING INCOME	1 904

in PLN mln	H1
OPERATING PROFIT	109
EBITDA	129
NET RESULT	89

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"Despite the unstable situation related to the valorization of the long-term contracts we are executing and the still ongoing armed conflict across the eastern border, the Group maintains a high level of revenues, which after the first six months of this year amount to PLN 1,654 million and are slightly lower than the operating income for H1 2022 (down by 13%).

Again, as in the past year, the best performing business area in the reported period was Production and Energy. Together, the two segments accounted for 72% of the Group's total revenues.

It is worth recalling that in 2023 we signed a new strategic energy contract for the construction of an 882 MW gas-steam unit in Rybnik, as well as the largest contract in the history of projects in the Oil & Gas sector - assuming the execution of multi-discipline works in the EPC formula for the expansion of the OSBL infrastructure dedicated to the Olefiny III Complex of the Orlen SA Main Plant in Płock.

We are focusing on the completion of the coal unit at Zakłady Azotowe Puławy, the ongoing investments including, but not limited to: the tramway project in Olsztyn, the construction of new power units at the Dolna Odra Power Plant, the New Czechnica Combined Heat and Power Plant, and the initiated projects in Bydgoszcz and Rybnik.

Following our previous declarations, we are building up our development competencies in the energy segment in the role of an investor/general contractor in photovoltaic and small cogeneration projects. In May this year, Polimex Budownictwo, a company from the Polimex Mostostal Capital Group, signed three contracts for the design and comprehensive execution of construction and electrical works for the construction of Photovoltaic Installations with associated infrastructure and power derivation - PV Zoltańce 1 with a capacity of up to 5 MW,

Zoltańce 2 with a capacity of up to 5 MW, Zoltańce 3 with a capacity of up to 5 MW.

Our company's undoubted strength is its diversified and wide-ranging offer, which, combined with our flexible approach to customers, helps us to continue operating at full capacity.

Subsequent months will depend largely on the availability and prices of materials, and above all on the economic situation in our key industries. **said Krzysztof Figat president of the management board of Polimex Mostostal S.A.**

"The Group generated an operating profit (EBIT) of PLN 64 million in H1 2023.

Among the operating segments, it was the Production segment that, similarly to a year ago, generated the highest level of EBITDA (PLN 81 million in H1 2022 and PLN 41 million in H1 2023)

Revenues from foreign sales amount to PLN 372 million and account for 22% of the Capital Group's total revenues. In H1 2022, the share was 19%.

The financial situation of the Polimex Mostostal Group is stable. We maintain a low level of net debt - at the end of June 2023, the cash balance exceeded interest-bearing debt by PLN 167 million.

It is worth noting that our order portfolio at the end of the first half of 2023 is PLN 7.8 billion, which is mainly due to the signing of the Olefiny III project). As a result, the share of the energy segment's portfolio 2023 vs. 2022 fell from 67% to 36% while the share of the oil, chemical and gas segment in the portfolio increased significantly from 7% to 47%. We are working to further increase our diversified order portfolio. We continue to maintain a high cost discipline in operations, and we are committed to maintaining the highest possible business efficiency and profitability of our projects." **- Maciej Korniluk, vice-president of the management board of Polimex Mostostal S.A., added.**

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